



**TELECHOICE INTERNATIONAL LIMITED**  
(REG. NO. 199802072R)

**PART I - UNAUDITED RESULTS FOR THE 2<sup>ND</sup> QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

**1(a)(i) INCOME STATEMENT FOR THE 2<sup>ND</sup> QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

In S\$'000	2Q2011	2Q2010	+/- %	1H2011	1H2010	+/- %
Revenue	84,713	97,320	-13.0%	178,672	172,623	3.5%
Cost of sales	(76,517)	(89,447)	-14.5%	(159,341)	(157,416)	1.2%
<b>Gross profit</b>	<b>8,196</b>	<b>7,873</b>	4.1%	<b>19,331</b>	<b>15,207</b>	27.1%
Gross Margin %	9.7%	8.1%	1.6 ppt	10.8%	8.8%	2.0 ppt
Other income	264	126	109.5%	492	306	60.8%
Selling and marketing expenses (Note 1)	(2,314)	(1,326)	74.5%	(5,015)	(2,568)	95.3%
Administrative expenses (Note 1)	(3,630)	(2,962)	22.6%	(7,640)	(5,663)	34.9%
Other expenses (Note 2)	(522)	(52)	903.8%	(1,163)	(197)	490.4%
Finance costs (Note 3)	(22)	(6)	266.7%	(99)	(18)	450.0%
Share of profit/(losses) of jointly-controlled entity (net of tax)	58	85	-31.8%	(3)	76	-103.9%
<b>Profit before income tax</b>	<b>2,030</b>	<b>3,738</b>	-45.7%	<b>5,903</b>	<b>7,143</b>	-17.4%
% of revenue	2.4%	3.8%	-1.4 ppt	3.3%	4.1%	-0.8 ppt
Income tax expense (Note 4)	(456)	(717)	-36.4%	(1,053)	(1,108)	-5.0%
<b>Profit for the period</b>	<b>1,574</b>	<b>3,021</b>	-47.9%	<b>4,850</b>	<b>6,035</b>	-19.6%
Attributable to:						
<b>Equity holders of the Company</b>	<b>1,659</b>	<b>3,008</b>	-44.8%	<b>4,686</b>	<b>6,007</b>	-22.0%
% of revenue	2.0%	3.1%	-1.1ppt	2.6%	3.5%	-0.9 ppt
Non-controlling interests	(85)	13	-753.8%	164	28	485.7%
	1,574	3,021	-47.9%	4,850	6,035	-19.6%
No. of shares (in '000)	452,835	453,440		453,023	453,385	
<b>Earnings per share (in cents)</b>						
Basic	0.37	0.66		1.03	1.32	
Diluted	0.37	0.66		1.03	1.32	

**STATEMENT OF COMPREHENSIVE INCOME FOR THE 2<sup>ND</sup> QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

In S\$'000	2Q2011	2Q2010	+/- %	1H2011	1H2010	+/- %
<b>Profit for the period</b>	1,574	3,021	-47.9%	4,850	6,035	-19.6%
Translation difference relating to financial statements of foreign subsidiaries	(102)	201	-150.7%	76	382	-80.1%
Exchange differences on monetary items forming part of net investment in a foreign operation	(111)	(43)	-158.1%	(170)	146	-216.4%
<b>Total comprehensive income for the period</b>	<b>1,361</b>	<b>3,179</b>	-57.2%	<b>4,756</b>	<b>6,563</b>	-27.5%
Attributable to:						
Equity holders of the Company	1,455	3,166	-54.0%	4,601	6,535	-29.6%
Non-controlling interests	(94)	13	-823.1%	155	28	453.6%
<b>Total comprehensive income for the period</b>	<b>1,361</b>	<b>3,179</b>	-57.2%	<b>4,756</b>	<b>6,563</b>	-27.5%



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**1(a)(ii) PROFIT BEFORE TAXATION HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING):**

In S\$'000	2Q2011	2Q2010	+/- %	1H2011	1H2010	+/- %
Staff costs (Note 5)	7,423	5,241	41.6%	15,990	9,889	61.7%
Directors' remuneration	100	96	4.2%	198	188	5.3%
Depreciation of property, plant and equipment (Note 6)	353	293	20.5%	714	485	47.2%
Amortisation of intangible assets (Note 2)	352	33	nm	732	59	nm
(Reversal)/Provision for bad debts (Note 7)	(25)	6	-516.7%	(15)	76	-119.7%
Exchange loss (Note 8)	46	41	12.2%	176	127	38.6%
<b>Other income comprises:</b>						
Interest income	32	21	52.4%	110	44	150.0%
Others (Note 9)	232	105	121.0%	382	262	45.8%
	264	126	109.5%	492	306	60.8%

nm - not meaningful

Notes:

- (1) Compared to the same periods last year, significant increase in the operating expenses in 2Q2011 and 1H2011 was due to the consolidation of S & I Systems Pte Ltd ("**S&I**"). (Note: S&I was acquired on 1 November 2010). For the organic business, selling and marketing expenses increased by 1.4% and decreased by 6.2% in 2Q2011 and 1H2011 respectively, and administrative expenses decreased by 5.0% and 4.3% in 2Q2011 and 1H2011 respectively.
- (2) Other expenses include the amortization of intangible assets arising from the acquisition of S&I in 4Q2010 and withholding tax on dividend received from a subsidiary in Indonesia.
- (3) Higher finance costs were from S&I's borrowings.
- (4) Higher effective tax rate in 1H2011 was mainly due to a tax write-back in 1Q2010 and higher 1H2011 profit contribution from a subsidiary in Indonesia.
- (5) Higher staff costs in the current review periods mainly attributable to S&I.
- (6) Increase in depreciation recorded from S&I and new retail outlets.
- (7) Reversal for bad debts provision in 2Q2011 & 1H2011 was mainly attributed to Engineering.
- (8) Exchange loss arose mainly from cash balances, trade receivables and work-in-progress denominated in USD.
- (9) Included in 2Q2010 & 1H2010 were jobs credit granted by the Singapore Government of \$43K and \$132K respectively. In 2Q2011 & 1H2011, the amounts include rental income received by S&I.



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**1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT**

In S\$'000	Group		Company	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
<b><u>Non-current assets</u></b>				
Subsidiaries	-	-	26,554	27,494
Jointly-controlled entity	1,350	1,371	955	955
Property, plant and equipment	2,281	2,788	95	106
Intangible assets	9,793	10,508	-	-
Deferred tax assets	409	430	134	95
Unbilled receivables	810	2,907	-	-
	<b>14,643</b>	<b>18,004</b>	<b>27,738</b>	<b>28,650</b>
<b><u>Current Assets</u></b>				
Inventories	22,088	29,999	17,684	23,026
Work-in-progress	11,451	7,709	-	-
Trade and other receivables	57,627	44,708	10,645	15,421
Cash and cash equivalent	36,911	34,687	24,239	19,213
	<b>128,077</b>	<b>117,103</b>	<b>52,568</b>	<b>57,660</b>
<b>Total Assets</b>	<b>142,720</b>	<b>135,107</b>	<b>80,306</b>	<b>86,310</b>
<b>Equity attributable to equity holders of the Company</b>				
Share Capital	21,817	21,782	21,817	21,782
Other Reserves	13,922	14,327	13,369	13,689
Accumulated profits	34,653	38,113	21,024	26,112
<b>Total equity</b>	<b>70,392</b>	<b>74,222</b>	<b>56,210</b>	<b>61,583</b>
Non-controlling interests	1,547	1,324	-	-
<b>Total equity</b>	<b>71,939</b>	<b>75,546</b>	<b>56,210</b>	<b>61,583</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	891	1,068	-	-
Financial liabilities	104	830	-	-
<b><u>Current Liabilities</u></b>				
Bank overdraft	-	193	-	-
Trade and other payables	57,013	42,298	22,643	17,783
Provision for warranties	294	297	37	40
Current tax payable	2,305	2,598	1,416	1,904
Financial liabilities	6,809	8,264	-	5,000
Deferred income	3,365	4,013	-	-
	<b>69,786</b>	<b>57,663</b>	<b>24,096</b>	<b>24,727</b>
<b>Total liabilities</b>	<b>70,781</b>	<b>59,561</b>	<b>24,096</b>	<b>24,727</b>
<b>Total equity and liabilities</b>	<b>142,720</b>	<b>135,107</b>	<b>80,306</b>	<b>86,310</b>

Group total assets increased by \$7.6M due to higher trade & other receivables and work-in-progress. These were offset by lower inventories due to decrease in handset purchases in 1H2011. Group total liabilities increased by \$11.2M with higher trade payables offset by lower bank loans. The higher trade & other receivables and trade payables were attributed to a sale by one of the subsidiaries at the end of the quarter.



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**1(b)(ii) GROUP BORROWING**

<b>In S\$'000</b>	<b>As at 30/06/2011</b>	<b>As at 31/12/2010</b>
<b>Amount repayable in one year or less</b>		
Bank loan – unsecured	6,809	7,464
Bank loan – secured	-	800
Total	6,809	8,264
Bank overdraft		193
<b>Amount repayable after one year</b>		
Bank loan – unsecured	104	230
Bank loan – secured	-	600
Total	104	830

**Details of any collateral**

The secured bank loan as at 31 December 2010 relates to an arrangement between one of the subsidiaries and a financial institution to assign all the subsidiary's rights, title and interest in, to and under a sales and maintenance contract entered between a customer and the subsidiary. The subsidiary had made an early final repayment of the loan in March 2011.



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**1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 2<sup>ND</sup> QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

In S\$'000	2Q2011	2Q2010	1H2011	1H2010
<b>Operating Activities</b>				
Profit before income tax	2,030	3,738	5,903	7,143
Adjustments for:				
Accretion of deferred income	(199)	(245)	(141)	(146)
Amortisation of intangible assets	352	33	732	59
Depreciation of property, plant and equipment	353	293	714	485
Interest expense	22	6	99	18
Interest income	(32)	(21)	(110)	(44)
Loss on disposal of a subsidiary	-	-	135	-
Provision for warranties	(5)	62	3	61
Share of profits of jointly-controlled entity	(58)	(85)	(3)	(76)
Share-based payments expenses	81	107	159	158
Cash from operating profit before working capital changes	2,544	3,888	7,491	7,658
Changes in working capital	2,262	(820)	7,383	(3,866)
Cash generated from operations	4,806	3,068	14,874	3,792
Income tax paid	(1,113)	(793)	(1,494)	(890)
<b>Net cash inflow from operating activities</b>	<b>3,693</b>	<b>2,275</b>	<b>13,380</b>	<b>2,902</b>
<b>Investing Activities</b>				
Purchase of intangible assets	(12)	(136)	(12)	(148)
Purchase of property, plant and equipment	(124)	(309)	(224)	(419)
Capital contribution from non-controlling interests	68	-	68	-
Interest received	32	21	110	44
<b>Net cash outflow from investing activities</b>	<b>(36)</b>	<b>(424)</b>	<b>(58)</b>	<b>(523)</b>
<b>Cash Flows From Financing Activities</b>				
Balances with related corporations (non-trade)	(525)	(429)	35	(71)
Dividend paid	(8,146)	(7,936)	(8,146)	(7,936)
Interest paid	(22)	(6)	(99)	(18)
Proceeds from issue of shares under Pre-IPO Share Option Scheme	-	62	29	62
Purchase of treasury shares	(180)	(136)	(473)	(136)
Proceed from bank loans	6,350	-	8,820	-
Repayment of short term bank loans	(3,993)	(2,000)	(11,000)	(3,000)
<b>Net cash outflow from financing activities</b>	<b>(6,516)</b>	<b>(10,445)</b>	<b>(10,834)</b>	<b>(11,099)</b>
Net increase/(decrease) in cash and cash equivalents	(2,859)	(8,594)	2,488	(8,720)
Cash and cash equivalents at beginning of period	39,820	46,579	34,494	46,642
Effect of exchange rate differences on balances held in foreign	(50)	25	(71)	88
<b>Cash and cash equivalents at end of period</b>	<b>36,911</b>	<b>38,010</b>	<b>36,911</b>	<b>38,010</b>

Cash flows from operating activities

Higher net cash inflow in 2Q2011 & 1H2011 mainly due to positive changes in working capital. There were lower inventories and higher payables, offset by higher receivables and work-in-progress. The higher negative changes in working capital in 1H2010 were mainly due to higher receivables.

Cash flows from investing activities

Capital expenditure in 2Q2011 & 1H2011 was lower than the same periods last year.

Cash flow from financing activities

The cash outflow in 2Q2011 was lower than 2Q2010 mainly due to proceeds from bank loans. The cash outflow in 1H2011 and 1H2010 was mainly due to dividend paid and repayment of bank loans.



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**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 2<sup>ND</sup> QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

In S\$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company	Non controlling interest	Total equity
<b>GROUP</b>						
<b>At 1 April 2010</b>	<b>21,707</b>	<b>36,624</b>	<b>14,681</b>	<b>73,012</b>	<b>54</b>	<b>73,066</b>
Total comprehensive income for the period	-	3,008	158	3,166	13	3,179
Issue of 300,000 ordinary shares under share option scheme at \$0.2079 per share	75	-	(13)	62	-	62
Share-based payments expenses	-	-	107	107	-	107
Purchase of treasury shares	-	-	(136)	(136)	-	(136)
FY2009 final dividend of 1.75 cents per share (one-tier tax exempt)	-	(7,936)	-	(7,936)	-	(7,936)
<b>At 30 June 2010</b>	<b>21,782</b>	<b>31,696</b>	<b>14,797</b>	<b>68,275</b>	<b>67</b>	<b>68,342</b>
<b>At 1 April 2011</b>	<b>21,817</b>	<b>41,140</b>	<b>14,225</b>	<b>77,182</b>	<b>1,573</b>	<b>78,755</b>
Total comprehensive income for the period	-	1,659	(204)	1,455	(94)	1,361
Purchase of treasury shares	-	-	(180)	(180)	-	(180)
Share-based payments expenses	-	-	81	81	-	81
FY2010 final dividend of 1.8 cents per share (one-tier tax exempt)	-	(8,146)	-	(8,146)	-	(8,146)
Capital contribution by non-controlling interests	-	-	-	-	68	68
<b>At 30 June 2011</b>	<b>21,817</b>	<b>34,653</b>	<b>13,922</b>	<b>70,392</b>	<b>1,547</b>	<b>71,939</b>
<b>At 1 January 2010</b>	<b>21,707</b>	<b>33,625</b>	<b>14,260</b>	<b>69,592</b>	<b>39</b>	<b>69,631</b>
Total comprehensive income for the period	-	6,007	528	6,535	28	6,563
Issue of 300,000 ordinary shares under share option scheme at \$0.2079 per share	75	-	(13)	62	-	62
Share-based payments expenses	-	-	158	158	-	158
Purchase of treasury shares	-	-	(136)	(136)	-	(136)
FY2009 final dividend of 1.75 cents per share (one-tier tax exempt)	-	(7,936)	-	(7,936)	-	(7,936)
<b>At 30 June 2010</b>	<b>21,782</b>	<b>31,696</b>	<b>14,797</b>	<b>68,275</b>	<b>67</b>	<b>68,342</b>
<b>At 1 January 2011</b>	<b>21,782</b>	<b>38,113</b>	<b>14,327</b>	<b>74,222</b>	<b>1,324</b>	<b>75,546</b>
Total comprehensive income for the period	-	4,686	(85)	4,601	155	4,756
Issue of 137,500 ordinary shares under share option scheme at \$0.2079 per share	35	-	(6)	29	-	29
Purchase of treasury shares	-	-	(473)	(473)	-	(473)
Share-based payments expenses	-	-	159	159	-	159
FY2010 final dividend of 1.8 cents per share (one-tier tax exempt)	-	(8,146)	-	(8,146)	-	(8,146)
Capital contribution by non-controlling interests	-	-	-	-	68	68
<b>At 30 June 2011</b>	<b>21,817</b>	<b>34,653</b>	<b>13,922</b>	<b>70,392</b>	<b>1,547</b>	<b>71,939</b>



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In S\$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company
<b>COMPANY</b>				
<b>At 1 April 2010</b>	<b>21,707</b>	<b>26,783</b>	<b>13,573</b>	<b>62,063</b>
Total comprehensive income for the period	-	2,418	-	2,418
Issue of 300,000 ordinary shares under share option scheme at \$0.2079 per share	75	-	(13)	62
Share-based payments to employees of Company's subsidiaries	-	-	44	44
Share-based payments expenses	-	-	63	63
Purchase of treasury shares	-	-	(136)	(136)
FY2009 final dividend of 1.75 cents per share (one-tier tax exempt)	-	(7,936)	-	(7,936)
<b>At 30 June 2010</b>	<b>21,782</b>	<b>21,265</b>	<b>13,531</b>	<b>56,578</b>
<b>At 1 April 2011</b>	<b>21,817</b>	<b>27,220</b>	<b>13,468</b>	<b>62,505</b>
Total comprehensive income for the period	-	1,950	-	1,950
Purchase of treasury shares	-	-	(180)	(180)
Share-based payments to employees of Company's subsidiaries	-	-	32	32
Share-based payments expenses	-	-	49	49
FY2010 final dividend of 1.8 cents per share (one-tier tax exempt)	-	(8,146)	-	(8,146)
<b>At 30 June 2011</b>	<b>21,817</b>	<b>21,024</b>	<b>13,369</b>	<b>56,210</b>
<b>At 1 January 2010</b>	<b>21,707</b>	<b>24,413</b>	<b>13,522</b>	<b>59,642</b>
Total comprehensive income for the period	-	4,788	-	4,788
Issue of 300,000 ordinary shares under share option scheme at \$0.2079 per share	75	-	(13)	62
Share-based payments to employees of Company's subsidiaries	-	-	61	61
Share-based payments expenses	-	-	97	97
Purchase of treasury shares	-	-	(136)	(136)
FY2009 final dividend of 1.75 cents per share (one-tier tax exempt)	-	(7,936)	-	(7,936)
<b>At 30 June 2010</b>	<b>21,782</b>	<b>21,265</b>	<b>13,531</b>	<b>56,578</b>
<b>At 1 January 2011</b>	<b>21,782</b>	<b>26,112</b>	<b>13,689</b>	<b>61,583</b>
Total comprehensive income for the period	-	3,058	-	3,058
Issue of 137,500 ordinary shares under share option scheme at \$0.2079 per share	35	-	(6)	29
Purchase of treasury shares	-	-	(473)	(473)
Share-based payments to employees of Company's subsidiaries	-	-	62	62
Share-based payments expenses	-	-	97	97
FY2010 final dividend of 1.8 cents per share (one-tier tax exempt)	-	(8,146)	-	(8,146)
<b>At 30 June 2011</b>	<b>21,817</b>	<b>21,024</b>	<b>13,369</b>	<b>56,210</b>



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**1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL**

**A) Share Capital**

As at 30 June 2011, the share capital of the Company at \$21.817 million comprised 453,752,000 issued ordinary shares, of which 6,913 are held by the Company as treasury shares. (31 December 2010: 453,614,500 ordinary shares of which 51,500 were held as treasury shares).

**B) Employee Share Options**

As at 30 June 2011, there were unexercised options of 670,500 (30 June 2010: 808,000) unissued ordinary shares of \$.2079 each under The TeleChoice Pre-IPO Share Option Scheme.

**C) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")**

As at 30 June 2011, the number of outstanding shares granted under the Company's RSP and PSP were 3,493,833 (30 June 2010: 1,878,000) and 2,458,000 (30 June 2010: 2,850,000) respectively.

**D) Treasury Shares**

During the quarter, a total of 708,000 ordinary shares were repurchased from the market at a total consideration of \$179,704 and 1,878,587 treasury shares were transferred to participants of the Company's share plan. After the transfer, the treasury shares balance comprised 6,913 treasury shares as at 30 June 2011 (30 June 2010: 51,500) represented approximately 0.002% of the total issued share capital of the Company.

**2. AUDIT**

The results have not been audited nor reviewed by auditor.

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The Group has applied the same accounting policies and method of computation in the preparation of the current period financial statements compared to those used in the annual report for the financial year ended 31 December 2010.

**5. CHANGES IN ACCOUNTING POLICIES**

Not Applicable

**6. EARNINGS PER ORDINARY SHARE (EPS)**

Based on weighted average number of ordinary shares on issue (in cents)

Group	2Q2011	2Q2010	1H2011	1H2010	FY2010
Basic	0.37	0.66	1.03	1.32	2.74
Diluted	0.37	0.66	1.03	1.32	2.74





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**7. NET ASSET VALUE**

	GROUP		COMPANY	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	15.51	16.36	12.39	13.58

**8. REVIEW OF GROUP PERFORMANCE**

**A) Revenue**

S\$M	2Q2011	2Q2010	Growth		1H2011	1H2010	Growth	
			\$	%			\$	%
Personal Communications Solutions Services ("PCS")	52.4	81.8	(29.4)	-36%	111.3	143.7	(32.4)	-23%
Info-Comm Technology Services ("ICT")	21.7	3.9	17.8	456%	48.5	7.3	41.2	564%
Network Engineering Services ("Engineering")	10.6	11.6	(1.0)	-9%	18.9	21.6	(2.7)	-13%
Total	84.7	97.3	(12.6)	-13%	178.7	172.6	6.1	4%

- **PCS** – Revenue decreased by \$29.4M & \$32.4M in 2Q2011 and 1H2011 respectively mainly from lower regional sales and revenue from a major customer in Singapore. This was mitigated by the increase in prepaid cards and retail sales. Revenue from the major customer has been impacted by the dominance of iPhone which the Group does not carry.
- **ICT** – Revenue increased by \$17.8M & \$41.2M in 2Q2011 and 1H2011 respectively with the consolidation of S&I's accounts. In 1H2011, 8 months of revenue from S&I was included. The higher revenue from enterprise solutions services were offset by lower iDD usage attributable to the intense competitive environment.
- **Engineering** – Overall revenue decreased by \$1M and \$2.7M in 2Q2011 and 1H2011 respectively from lower power supply projects in Indonesia and products sales in the region. These were offset by higher transmission revenue in Singapore and higher in-building coverage revenue from Malaysia.

**B) PBT**

S\$M	2Q2011	2Q2010	Growth		1H2011	1H2010	Growth	
			\$	%			\$	%
PCS	1.7	3.1	(1.4)	-45%	3.4	6.0	(2.6)	-43%
ICT	(0.3)	0.1	(0.4)	-400%	1.3	0.2	1.1	550%
Engineering	0.6	0.5	0.1	20%	1.2	0.9	0.3	33%
Total	2.0	3.7	(1.7)	-46%	5.9	7.1	(1.2)	-17%

- **PCS** - PBT decreased by \$1.4M and \$2.6M in 2Q2011 and 1H2011 respectively as a result of lower revenue and lower margin. The lower margin was attributed to a higher sales mix of lower margin prepaid cards sales and lower rebates received from manufacturers. This was partly mitigated by income from new services in Malaysia.
- **ICT** – PBT in 1H2011 was \$1.1M higher with contribution from S&I partly offset by amortization expenses. The loss in 2Q2011 was mainly due to the amortization of the intangible assets partially offset by lower contribution from S&I.
- **Engineering** – PBT increased by \$0.1M and \$0.3M in 2Q2011 and 1H2011 respectively mainly from higher margin. This was partially offset by higher exchange loss arising from the work-in-progress, receivables and cash balance denominated in USD.



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**9. VARIANCE FROM PROSPECT STATEMENT**

The Group's overall operating performance for 1H2011 was lower compared to 1H2010. This varied from our earlier guidance of operating performance to be maintained at last year's level.

**10. PROSPECTS**

Based on the current outlook and barring any unforeseen circumstances, the Group can expect 2H2011 operating performance to be better than 1H2011. However, with the lower 1H2011 results, we expect the operating performance of FY2011 to be lower than last year's level.

*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

**11. DIVIDEND**

**(a) Any dividend declared for the current financial period reported on? No**

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

N/A

**(d) Books closure date**

N/A

**12. If no dividend has been declared/recommended, a statement to that effect.**

N/A

**13. Interested Person Transactions - DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii)**

In S\$M	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual			
	2Q2011	2Q2010	1H2011	1H2010
<b><u>Transactions for the sales of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	22.9	32.6	42.8	57.6
<b><u>Transactions for the purchases of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	8.1	16.2	19.1	28.9
<b>Total Interested Person Transactions</b>	<b>31.0</b>	<b>48.8</b>	<b>61.9</b>	<b>86.5</b>

Note: All transactions are conducted under the shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual.



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**14. Statement pursuant to Rule 705(5) of the SGX Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial statements for the second quarter and half year ended 30 June 2011 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Andrew Loh Sur Jin**  
**President**

Date: 12 August 2011